



*United States Attorney  
Southern District of New York*

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**DISBARRED ATTORNEY CONVICTED IN FEDERAL FRAUD CASE**

MICHAEL J. GARCIA, United States Attorney for the Southern District of New York, announced today that HOWARD THALER, a disbarred New York attorney, was found guilty last evening by a federal jury sitting in White Plains, New York, of multiple counts of fraud and false statements relating to his procurement of numerous bank loans through fraudulent means and for deceiving individuals for whom, despite his disbarment, he acted as an attorney. The evidence at trial showed that THALER schemed to defraud banks and others of more than \$1.2 million.

THALER, aged 60, of Manhattan, was disbarred by the Second Department of the Appellate Division of the Supreme Court of the State of New York ("the Appellate Division") in 1998 in connection with numerous acts of fraud and deceit related to real estate transactions as well as attempts to obstruct the inquiry into his professional misconduct. The evidence at trial showed that despite the Appellate Division's order disbarring THALER-- which directed, among other things, that he not practice law or hold himself out as an attorney-- he continued to practice law and to represent clients in real estate transactions.

The evidence at trial showed that THALER, using various corporate entities, bought homes in Westchester and the Bronx that were about to go into foreclosure and shortly thereafter sold or "flipped" the properties to others at a substantial profit. The purchasers, however, did not have the means to obtain the mortgage loans they needed to close on the purchases. Instead, THALER orchestrated the creation of false loan applications for them. He typically accomplished this by depositing his own funds into the purchasers' accounts to make it appear that they had sufficient assets, and then, after the lending banks had verified that the purchasers had adequate funds on deposit, transferred the monies back into his own account.

The evidence at trial showed that on one occasion, THALER sold a home in Yonkers to a woman for \$240,000 and also acted as her attorney at the closing without making the required disclosure that he had purchased the same home on the same day for \$160,000. On a second occasion THALER, acting as attorney for a man who was selling a home and an adjacent lot in the Bronx, had his client unknowingly deed the lot to a corporation THALER owned without disclosing his ownership to his client and without disclosing that he had a prior agreement to sell the lot to a third person for \$35,000. In a third instance in 2000, THALER found a vacant house in the Bronx which belonged to the estate of a man who had passed away in 1997; found a buyer to purchase the home; paid a stand-in to pose as the owner; had the stand-in sell the house to the purchaser he had found; and then pocketed the proceeds for himself, to the detriment of both the buyer and the estate of the deceased.

MR. GARCIA also announced that THALER's co-defendant SALVATORE LOBREGGIO, a former New York City Police Officer, pleaded guilty to Misprision of a Felony in connection with his attempts to cover up THALER's crimes. LOBREGGIO was sentenced on September 29 to probation. Tape recordings introduced at THALER's trial showed that THALER had participated in the attempted procurement of a fraudulent loan for LOBREGGIO in exchange for what THALER said would be LOBREGGIO's purported influence with judges and others to assist THALER in being readmitted to the bar. The recordings also showed that THALER and LOBREGGIO suggested to a third person that he make false statements to federal agents investigating some of the loans in the case. The recordings also demonstrated THALER's belief that LOBREGGIO could put an end to the investigation because of his purported connections with judges in the White Plains Federal Courthouse.

MR. GARCIA also announced that charges in connection with this investigation had been brought against THALER's former law partner, WILLIAM FALOW, formerly of Scarsdale, New York, and were dismissed after FALOW died of natural causes in the fall of 2004.

THALER faces 59 years of imprisonment and \$2,500,000 in fines when he is sentenced on March 2, 2006 before United States District Judge CHARLES L. BRIEANT who presided over the trial.

MR. GARCIA extended his thanks and appreciation to the Federal Bureau of Investigation, the Postal Inspection Service, and the Office of Inspector General of the United States Department of Housing and Urban Development whose agents jointly investigated

this case.

Assistant United States Attorneys ELLIOTT B. JACOBSON and  
DAVID B. MASSEY are in immediate charge of this prosecution.

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